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July 18, 2019

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

**RE: South Carolina Energy Freedom Act (House Bill 3569) Proceeding
Related to Dominion Energy South Carolina, Inc. for the Commission to
Review the Community Solar Programs Established Pursuant to Act
236 of 2014 and to Solicit Status Information on Existing Programs from
the Electrical Utility S.C. Code Ann. Section 58-41-40(B)(1)
Docket No. 2019-212-E**

Dear Ms. Boyd:

By letter dated June 18, 2019, the Public Service Commission of South Carolina ("Commission"), pursuant to S.C. Code Ann. § 58-41-40(B)(1), instructed Dominion Energy South Carolina, Inc. ("DESC") to file a report regarding its Community Solar program. In compliance with the Commission's June 18 instructions, I am writing on behalf of DESC to provide the Commission with status information on DESC's Community Solar program.

Summary

DESC's Community Solar program allows DESC customers to either purchase or subscribe to a portion of the energy output from one of three Community Solar farms on DESC's system and, in return, receive a credit on their monthly DESC bill. Many of these customers would not have been able to participate in rooftop solar due to financial constraints, inability to take advantage of federal and state investment tax credits for renewable energy resources, or limitations at their premise (e.g., shading, poor roof conditions or orientation, rental restrictions, and Homeowner's Association restrictions). Community Solar allows customers to receive a benefit from solar while minimizing the cost sharing to non-participants based on economies of scale, efficient use of investment tax credits, and optimal solar siting to name a few. With a robust Community Solar program and an active waitlist for new participants, DESC has no plans to submit a proposal for new Community Solar programs at this time.

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Background

By Order No. 2015-512, dated July 15, 2015, the Commission approved DESC's Distributed Energy Resource Plan ("DERP"), which included Community Solar generating facilities. Under Community Solar, a DESC customer purchases from a solar developer an ownership interest in a portion of a Community Solar renewable energy generating facility located on property not owned by the customer and receives compensation from DESC for the electric production of their proportional ownership of the Community Solar farm pursuant to the terms of a power purchase agreement between DESC and the solar developer.

By Order No. 2016-155, dated February 24, 2016, the Commission approved DESC's "Rider to Retail Rates— Community Solar" ("Rider"), which established the bill credit that DESC issues to its customer for energy produced by that customer's share of the Community Solar renewable energy generating facility. The Rider contemplates that the DESC customer seeking to take service under the Rider will "coordinat[e] with the Authorized Community Solar Developer for all arrangements associated with securing its eligible share of the community solar renewable energy generating facility." The Authorized Community Solar Developer is "the entity authorized by DESC to build the community solar renewable energy generating facility."

By Order No. 2016-707, the Commission approved a Credit Rate Agreement between DESC and Clean Energy Collective, LLC ("CEC") whereby CEC was authorized to develop, build and market up to 16 MW of Community Solar renewable generating facilities. By Order No. 2017-151, the Commission approved the First Amendment to the Credit Rate Agreement, which provided for, among other things, a subscription model and a low-income community solar offering. By Order No. 2018-57, the Commission approved the Second Amendment to the Credit Rate Agreement, which modified certain milestone dates. By Order No. 2018-583, the Commission accepted for filing the Consent and Third Amendment to the Credit Rate Agreement, by which, among other things, DESC consented to the transfer of the Community Solar facilities and the assignment of the rights, title, interest and obligations under the Credit Rate Agreement from CEC to Cypress Creek SC Community Solar, LLC.

Community Solar Program Details

This program is open to residential customers, including qualified low-income customers, and tax-exempt non-residential customers receiving service under Rate 3 (Municipal Power Service), Rate 12 (Church Service), and Rate 22 (School Service). Customers can purchase or subscribe to an amount of solar panels estimated to produce enough energy to offset their most recent 12 months usage, not to exceed 20 kW for residential and 1,000 kW for non-residential. Customers are not allowed to

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participate in community solar if they are participating in other DESC DERP programs.

Subscribing customers receive \$0.01/kWh as a credit on their utility bill and the Authorized Community Solar Developer receives a corresponding \$0.09/kWh credit for each pro-rata share of the Community Solar farm's production. This results in an effective rate of \$0.10/kWh for subscribed capacity. All subscribing customers pay a monthly fee of \$0.20/kW on their utility bills to participate (except for customers subscribed in the Low-Income Community Solar program) and this subscription fee is used as a credit against program expenses.

For all energy produced associated with purchased capacity, the credit rate on customer bills is \$0.10/kWh. **No credit goes to the Authorized Community Solar Developer for purchased capacity. The transaction for the purchase of solar panels is made between the customer and the Authorized Community Solar Developer.**

DESC's Low-Income Community Solar offering ("Select") sets aside a dedicated 1,000 kW of solar capacity for residential customers with household incomes equal to or less than 200% of the current Federal Poverty Guidelines established by the U.S. Department of Health and Human Services. These customers are qualified and referred to the program through a partnership with eight local Community Action Agencies located throughout the DESC service territory. Prior to participating, customers must allow DESC to perform a Home Energy Check-up to provide customers with energy efficiency measures and education that can help lower their energy bills. This service is provided at no cost to the customer.

DESC credits all Community Solar customers monthly with a pro-rata share of their respective farm's generation, as well as the applicable subscription fee (except for Low-Income participants), on their monthly DESC bill for that billing period.

Community Solar Facilities

CEC has constructed three (3) Community Solar facilities. These facilities are:

- **Springfield Solar**, a 6 MW facility in Orangeburg County, which entered commercial operation in June 2018.
- **Nimitz Solar**, an 8 MW facility in Jasper County, which entered commercial operation in June 2018.
- **Curie Solar**, a 2 MW facility in Hampton County, which entered commercial operation in February 2019.

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Customer Participation

All capacity in the Community Solar programs is currently fully subscribed. Capacity that becomes unsubscribed as the result of a customer leaving the program is backfilled by waitlists of Low-Income, Residential, and Non-Residential (Churches, Schools and Municipalities) customers. DESC continues to accept customers on its Community Solar waitlists.

The program launch for Residential customers began in June 2017 and was fully subscribed by October 2017. Through June 30, 2019, there were 854 residential customers (5.4 MW capacity) in the subscription program and 37 residential customers (0.1 MW capacity) in the purchase program. The Residential waitlist is currently at 124 customers.

The program launch for Low-Income customers began in August 2017 and was fully subscribed by May 2018. Through June 30, 2019, there were 166 Low-Income customers participating and 31 waitlisted Low-Income customers. To date, Low-Income participants have received \$17,187 as a direct credit on their DESC bills.

The program launch for the Non-Residential customers began in May 2017 and was fully subscribed by September 2017. Through June 30, 2019, there were 19 Municipal rate customers (2.5 MW capacity), 16 School rate customers (5.9 MW capacity) and 12 Church rate customers (1.1 MW) in the Non-Residential subscription program. These customers have signed additional capacity commitment agreements which act as a Non-Residential waitlist.

Table 1 provides a summary of the number of customer accounts and associated MW of capacity that have either been purchased or subscribed to in the three community solar facilities through June 30, 2019.

Table 1

Segment	Accounts	Capacity (MW)
Low-Income	166	1.0
Residential	891	5.5
Non-Residential	47	9.5
Total	1,104	16.0

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Table 2 provides a summary of the benefits credited to community solar customers as well as charges to subscribing customers along with the associated number of accounts through June 30, 2019.

	Table 2	
	\$	Accounts
Purchase Benefit	\$ 24,369	37
Select Benefit	\$ 17,187	166
Subscription Benefit	\$ 194,592	901
Subscription Charges	\$ 29,858	

By copy of this letter, we are informing the parties of record in the above-captioned dockets.

If you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

KCB/kms

Enclosures

cc: Jeffrey M. Nelson, Esquire

Richard L. Whitt, Esquire

Dawn Hipp

(all via electronic mail and U.S. First Class Mail w/enclosure)